

Overview of the 1996 Welfare Reform Law And the *Deficit Reduction Act of 2005*

1. The 1996 Republican welfare reforms produced remarkable success.

- Child poverty fell sharply. Since 1996, 1.4 million children have been lifted from poverty; the poverty rate among black and Hispanic children has fallen dramatically (*Census Bureau*).
- More parents are working. Work among welfare recipients has doubled. More broadly, work by never-married mothers (those most likely to go on welfare) rose 34 percent between 1996 and 2004. (*HHS and BLS*).
- Dependence fell by unprecedented levels. Welfare caseloads decreased by 64 percent since August 1996, from 12.2 million to 4.4 million today (*HHS*).

2. Still, more can be done.

- Fifty-eight percent of recipients are not working or training (*HHS*).
- Too many families break up or never form.
- Almost two million families remain dependent on welfare (*HHS*).

3. The *Deficit Reduction Act (DRA) of 2005* strengthens the 1996 reforms by:

- Requiring half of the parents on welfare to work or train for their benefits.
- Fully funding TANF, plus increasing child care funding by \$1 billion despite the 64 percent decrease in people collecting welfare since 1996. In total, the DRA provides \$175 billion in welfare and child care funds through 2010.
- Promoting healthy marriages by providing \$500 million to service providers assisting low-income parents, plus \$250 million in “responsible fatherhood” funds to help men be better fathers to their children. Stronger families lead to less poverty and better outcomes for children.
- Distributing more child support collection to families with children.
- Providing \$300 million in new child protection funds to better protect at-risk children and improve court decisions about the placement of children.
- Removing loopholes and making common-sense changes to pay for these new funds, plus save taxpayers \$1.3 billion across welfare programs.

Note: All \$ figures over five years (fiscal years 2006-2010)